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A Special Joint Work Session of the Danville City Council and the Danville School Board convened on January 23, 2019 at 6:00 p.m. at the Galileo Magnet School, 200 South Ridge Street, Danville, Virginia. Council Members present were: James B. Buckner, L. G. "Larry" Campbell Jr., Mayor Alonzo L. Jones, Dr. Gary P. Miller, Sherman M. Saunders, Fred O. Shanks, III, Vice Mayor J. Lee Vogler, Jr., and Madison J.R. Whittle (8). Adam J. Tomer was absent. (1).

School Board Members present were: Brandon Atkins, Crystal Cobb, Elizabeth Leggett, Terry Hall, Jeffrey Hubbard, Renee Hughes. Ty'quan Graves was absent.

Staff Members present were: City Manager Ken Larking, Deputy City Manager Earl B. Reynolds, Jr., City Attorney W. Clarke Whitfield Jr., Assistant to the City Manager Amanda Paez, Budget Director Cynthia Thomasson, Director of Finance Michael Adkins, and Assistant City Attorney Alan Spencer.

Mayor Jones asked for a Motion to approve the Agenda; Mr. Shanks moved to approve the agenda, the Motion was seconded by Mr. Campbell and carried by the following vote:

VOTE: 8-0-1
AYE: Buckner, Campbell, Jones, Miller, Saunders,
Shanks, Vogler and Whittle (8)
NAY: Tomer (1)

Danville School Board Chairperson Terri Hall welcomed Danville City Council, and thanked Mr. Philip Gardner and his staff for the delicious meal. Ms. Hall introduced School Board staff, and noted the purpose of the meeting was to hear from the PFM Consultants on the Multi-Year Financial Plan. Mayor Jones asked City staff to introduce themselves and thanked the School Board for hosting City Council.

Dr. Stan Jones, Superintendent of Danville Public Schools, introduced Dean Kaplan and Debra Vaughn of PFM Consulting. Mr. Kaplan began review of his PowerPoint presentation *Danville Public Schools Multi-Year Financial Planning*, (a copy of which has been retained in Laserfiche in the Clerk's folder, Presentations to Council,) and explained a baseline projection was done to determine where things are now, financially. They looked at a menu of initiatives that might fill any budget gap they identify and they will be working with DPS staff to transition a model that will allow them to do "what if" scenarios. The goal is to identify what the challenges might be and to give a wide variety of opportunities to address them. They were also requested to do a scenario of the magnitude of changes would be needed to address some of the gaps in their budget in the next period of years. Mr. Kaplan noted the long term fate of the City is tied to attracting good jobs, residents and making sure people have a good place to work and go to school, which is tied into the education system and training people to be the workforce and neighbors of the future.

Mr. Kaplan noted the challenges faced by DPS are driven by the funding they receive, how the State funding formula works, the need of the City to provide a significant portion of funding, students who are challenged by poverty, declining enrollment and an overall challenge of keeping a strong, vibrant community that will attract new residents, keep the kids in school and grow the school system enrollment over time. The City faces its own challenges, and proceeding in the future together is a key factor in helping to address the challenges they both face. The baseline financial projection shows a \$41.4M deficit over five years if no corrective action is taken.

The areas of innovation, both in career and technical education, and the International Baccalaureate program at Galileo, are real distinguishing factors for DPS. It gives a base to grow

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the school district and enrollment over time. There will have to be some hard choices and issues that have not been directly addressed in recent years. Mr. Kaplan stated there are two key elements to the DPS plan, which include the formation of a Education Compact between the City and DPS which would put together an ongoing group, including members of both bodies as well as external people from the philanthropic community, business community, neighborhood representatives and others to agree on the priorities for the division. The second element is, declining enrollment in Danville Public Schools. Over the past decade, this has had a negative effect on the school district finances and the continuing trend will make it very difficult to fund programs that are wanted and needed for children in Danville.

In order to eliminate the gap, including increased salaries for teachers to increase retention, they suggest limiting that growth to 2% for all employees in the future, similar to the City's salary growth numbers. In the middle grades, increasing class sizes slightly, still within the range of excellence, in grades 4-8. Moving and expanding the IB program and closing the Galileo Building to give the school district one less building to manage and use some of the space available at other facilities. Also, provide money for the enhancements being discussed and to increase the City's contribution over a period of three years, by \$2M a year. The level of poverty in Danville and the public schools, a higher than average number of students with disabilities, and the steady decline in enrollment has a direct impact on the division's state aid.

Mr. Kaplan reviewed performance trends including students with IB diplomas, senior IB enrollment and AP courses, has declined since about 2012. In career and technical education (CTE), the precision machining program has gotten a lot of attention, but there are numerous other programs in CTE. That is an area that can be further grown and enhanced to make the division attractive to families. The number of students receiving CTE diplomas has grown recently and that shows the efforts of DPS and the region. A comparison of graduation rates with four other divisions, show Danville's rate is lower than those; Danville's college enrollment rate is higher than some and lower than others.

Mr. Kaplan discussed the budget for DPS, noting there are only two sources of revenue. State funds are about two-thirds and funds provided by the City are about another third. State funding is not particularly sympathetic to urban school districts with smaller school districts with declining enrollment; that requires the schools to rely on the City. About 86% of expenditures are wages and benefits, as most of the people are teachers, there is no way to dramatically alter that number over time. Revenues have been stable over time and state funding, per pupil, has grown a little, but as there are fewer pupils, state funding is relatively flat. There is a one time funding source in the State's current budget for this biennium, related to smaller sized districts and it is interesting to think about what the approach should be to the state legislature going forward. Mr. Kaplan noted City aid has also gone up partly because Council has increased the subsidy over time. Enrollment has declined and expenditures have also increased somewhat. There has been an effort to raise teacher salaries, so the spending is higher over the last couple of years. Historically, the overall revenue growth and the expenditure growth have been about flat, but most of the growth has come from the City's contribution to the schools, not on state aid. On the spending side, in the personnel area, particularly health care, is growing above inflation.

Mr. Kaplan discussed the DPS baseline, and stated with very little growth in revenue and continuing growth in certain expenditure categories means there is a gap over time. Because they took out the carryforward, the City contribution goes down a little, but the State aid funding decreases overall because the enrollment decline offsets projected increases in per pupil funding; the net is basically flat. Meanwhile, drivers such as healthcare, salaries, and pension continue to go up at least at inflation and probably a bit higher. There is growth in the Expenditure side

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without growth in the Revenue side. That gives the following picture; when he mentioned before the total of \$41.4M, that is each of the shortfalls together. Without the carryforward, the gap in the budget for next year would be \$4M; that number goes up by about \$2M a year going forward. That is the combined impact of flat revenues and increased expenditures.

Mr. Kaplan noted, looking at the gap between Revenue and Expenditures each year, based on their projections, starting with the 2018-19 budget with the assumptions they made, if no other changes happen through 2023-24, revenues grow almost not at all and the Expenditures grow fairly steadily, from \$65M to almost \$77M. Over time that produces a series of gaps; the starting gap is \$4M and the growth each year is about \$2M. One of the key factors is declining enrollment driving state aid; it is very hard to figure out what that is going to be in any given year. State aid is calculated at an average daily membership, with other calculations around that. For this school year, ADM will be calculated in March by the State and the budget has to make a projection on enrollment. Mr. Kaplan noted they assumed that the long term decline would continue, which is about 1.6%, that would be about 80-85 students per year. The State will have a slightly lower assumption; the change of a very small number in student enrollment will have a fairly major effect on division revenues.

Mr. Kaplan explained they put together three scenarios, one where after an additional reduction in enrollment of fifty next year, it essentially flattens out; one with the 1.6% annual decline, and the third, the State decline. There is a real difference in the cumulative deficit; the deficit on the baseline is \$41.4M, but stopping the enrollment decline eliminates over \$6M from the deficit going forward, that is one of the biggest changes the schools can make in controlling the budget. The schools also have significant capital hopes for major school improvements and also some capital needs just for basic rehabilitation. There are no assumptions about additional capital spending from the City in their projections. They also assumed staffing levels would more or less track enrollment. What happens over time, if they are modeling a decline in enrollment, there is a head count that is stable until it gets to a significant number where a whole class in a grade can be eliminated and it drops down.

Mr. Kaplan explained they developed a large menu of options going forward which culminated in a smaller list, but the issues are the ones discussed: declining enrollment, more need for City funding with the State funding flat, salaries and benefits driving things and some competition to keep the best teachers. To achieve fiscal sustainability and invest in improving academic outcomes, the DPS Plan focuses on personnel and staff issues, operational efficiencies, facilities, capital planning, how to stabilize enrollment and looking at revenues.

For Salary Cost Containment, they are providing information that can be used to make decisions. With salaries, because they are such a large number, they wanted to understand the impact of changing the growth assumption of a 2.75% annual increase for teachers. They looked at what would happen if the teachers only had step movement each year, limited growth to 1.5% and limited it to 2.0%. The impact is significantly different; the step movement only was \$6M, 1.5% is \$5.4M and \$3.8M if it is capped at 2.0%. Mr. Kaplan reviewed Healthcare Cost Containment, noting there are some opportunities for the division. Some of the changes that were recommended in the City plan have already been taken by the Schools. It is a much more modest number over time; the total is about \$900,000 over the five years.

Staffing numbers can vary widely depending on the number for each school district. School divisions have taken more aggressive staffing decisions in certain areas or have other areas where they are not doing the same thing. Compared to other divisions, spending on administration, attendance and health and health support including nurses, Danville is at the high

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end of the per pupil numbers. That is an area where it may be worth taking a look at what drives that. They did break out what the average savings might be from reducing one staff member in the different areas in the Central Office, Clerical, Coordinator and Administrator. They vary significantly from \$60,000 to \$100,000 to \$134,000 across those different positions. That may not be something the division should be doing or want to do, but they want to give them a scale of what Central Office staffing decisions might make in the budget.

On the Instructional side, DPS is in the middle of the comparable schools, at \$8,785 per pupil. For staffing, there are 1,000 FTEs in the instructional area; the vast majority are teachers with a large majority of the rest being paraprofessionals. Ms. Vaughn explained they looked at the average class size for grade levels K-8 in the district, and they are well below what the State recommends as the largest class size. Danville participates in the State's K-3 Primary Class Size Reduction Program. The State recognizes that in K-3 education, having small classrooms for younger children is very important, especially for children with high needs, which Danville has; the State gives extra money to districts that participate. They wanted to provide information if the schools increased class sizes a little, what the impact would be. They looked at scenarios where they kept Grades 4-8 at the district average as it is currently, raising class size to 23 students, and then if class sizes in Grades 4-8 were raised to 25 students. If Danville stays at the average, there is about a \$1.2M cumulative effect over the time; if they go to 23, it is \$3.1M over the time period and if they raise class size to 25 students in grades 4-8, that is about \$6.3M over the time.

Mr. Kaplan stated they looked at operations and maintenance, Danville's spending per pupil is a little higher at \$1,427. This may relate to age and number of buildings per school division, and is an area worth looking at. For Building Services, Danville spends \$1,088 per pupil, which is a little higher than the median in the comparables; there would be some ability if they were able to go to the median, to find some savings. They also looked at if current custodial vacancies were not filled; they are worth about \$250,000 a year if they were not filled. This would have to be matched against the standards for cleanliness at each of the individual schools. For transportation, DPS is on the low end of expenditures at \$433 per pupil, basically because Danville's bus drivers do not receive benefits. There is a belief that school divisions that give benefits have more stability in their school bus driver employment; on the other hand it is fairly expensive, it would almost double the cost of bus drivers. Technology is another area where the division is in the middle at \$440 per pupil. For Safety and Security, there are a number of divisions where there is limited Safety and Security funding. They may get assistance from the local police department or other sources, but what they actually spend in their budget is very minimal; Danville spends \$124 per pupil. Mr. Kaplan noted they looked at reducing turnover; the division has worked hard to keep a stable teaching staff which has a lot of benefit for children. This year compared to the prior year, the number of filled positions on October 1st was considerably higher, which is quite an achievement by the division.

They looked at General Operational Efficiencies, looking broadly at shared services where the school division might be able to work with the City, the County or non-profits in the area, adjacent businesses or others to provide services. They also looked at managed competition, basically the idea of having division provided services bid against private sector provision; that is something they worked on around the Country. Mr. Kaplan explained they looked at grounds keeping, even though there may be limits to the amount of savings by combining forces between City parks and School grounds. They also looked at IT and there is quite a difference between some of the educational IT applications in the school division and the IT service provided in the City. There may be some opportunity to reduce some administrative, purchasing and other support, possibly to combine some contracts. For Human Resources, there may some overlap and some

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possibility, particularly now that there is a similar approach to looking at multi-year planning. The City and School Division can work together more closely and perhaps support each other.

Looking at custodial and building maintenance services, they thought that the cycle of needs and demand, and the number of types of facilities, probably did not lend itself to doing shared savings. For managed competition, the idea of having division services bid against private sector services, the key is to have a strong internal capacity to bid. Most local government agencies are not in the competition business and are not used to putting together a cost estimate of their services beyond the one year budget. They have worked with a number of divisions and cities around the country and were able to show how they can become more efficient; because there is no profit factor, can often provide a lower price at equal quality to the private sector. The division has previously looked at custodial services and thought it was not cost effective and it may be time to look at that again. For building maintenance, particularly in some specific trades, there is some argument saying they want to make sure they have those trades in house; there may be some difficulty in maintaining those on an ongoing basis. They talked about grounds keeping, that is something that could be a shared service or could be competed. The only real option for transportation is whether there could be some benefits from combining with the Danville Transit System. They run routes, but the school district has drivers and others available through a core part of the day. One of their questions is whether there might be some joint operations that would be useful to providing better transit and a stable bus driver population. They summarized the potential savings in those areas which would all require some additional significant investigation.

Ms. Vaughn explained they looked at Facilities and how DPS can make the best use of the facilities it has, where they are and who they serve; to be really deliberate about how they use the buildings, where there is growth in the City, and to reconfigure programs and buildings so that they are used most appropriately, effectively and efficiently. Ms. Vaughn noted they had data on the buildings, and recognized that some of the school buildings are underutilized as they are right now. They thought that was an opportunity to think more deliberately and thoughtfully about how those buildings are used. Ms. Vaughn discussed feeder patterns and trying to see where families are moving and where schools should be located.

Ms. Vaughn stated they recommend expanding the IB Program to include the middle school years, 7-12, to keep the best kids in the district so they don't want to move out to the County, attract new families and retain students in the program. The district has to make decisions about the Galileo campus and Langston campus. The school district does not own the Galileo building, it does have significant maintenance needs and it could be limiting the expansion of an IB program that a lot of parents are attracted to. The Langston Building is currently underutilized, it houses a variety of different programs but also has a very substantial community significance and history. One option would be to expand the IB program and move it out of the Galileo building; the expanded IB program from 7-12 years could be located in the Langston Building and Galileo could maintain its autonomous status as a high school. Another option for the Galileo IB program is to move to the George Washington campus; in that case, it may not retain its autonomous school of record, it may just be a program at GWHS and this is something that has to be considered. A third option is to relocate the IB program to one of the middle schools, like Bonner.

Ms. Vaughn noted for the Langston Campus, some of the programs could be moved out of there, relocate those programs and relocate the expanded IB program to the Langston campus. Students could continue to take IB courses or take advantage of some of the CTE courses at GWHS; GWHS students could take some IB courses at Langston. A STEM academy could also be established in the Langston Building, taking advantage of the location close to the hospital; it might attract other Pittsylvania County students into a STEM academy. They also thought about

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how DPS could use the Langston Campus in a way to serve the community, have space in that campus to serve students but also community service providers could co-locate in there and become a hub or community school. The last option is to close the building and sell it; however, it means a lot to the community to maintain that school and to honor the community. The community could think about the impact of a regional CTE academy, leveraging DCC, Averett, Halifax and Pittsylvania Counties.

Mr. Kaplan discussed Capital Planning, stating there is substantial interest in the schools to significantly renovate buildings and attract students by making more attractive buildings. There are also existing capital needs that need to be funded. Since the City is funding all the capital, they thought there was an opportunity to do more joint capital planning, have both the City and school division aware of each other's capital needs and how that might be funded going forward. They are very aware of the potential for gaming revenue to fund capital, having worked with that around the country, they recognize that may take some time to appear and may not appear in the way they think it will. They specifically suggest that health and safety, and basic building systems be prioritized so they make sure the buildings they are operating in, are in good shape.

Ms. Vaughn reviewed Enrollment Preservation noting they saw how impactful the loss of enrollment affects the DPS budget; the families that move here are out of the district's control. Aligning the CTE programs to meet the needs of students, their families and businesses here, is one way to maintain enrollment. Also, expanding access to engaging, innovative curriculum like the IB program and focus on student engagement and support so there are fewer students dropping out of the district. It is important to think of ways the district could reduce dropouts; preventing some of those dropouts could help stabilize enrollment. In 2015, DPS started to implement strategies to prevent disengagement and to prevent kids from dropping out, continuing and ratcheting up those efforts is important. Paying attention to truancy, attendance rates, and suspension rates is also important.

Mr. Kaplan noted State Aid was not included in their solution because they know how hard it is to grow the state aid pot and get specific, targeted aid. They think it is critical that the school division and the City together, working with civic leaders and elected representatives seek to do that. There is a Small School Division Enrollment Loss Subsidy this year; that is something DPS might politically seek to see if it can be institutionalized. Otherwise, collaborate with other similar divisions, both rural and urban that are affected by these issues, to find a way for some changes in the State funding formula. That is difficult, but to the extent they are successful over time, it reduces the pressure on all the other options, some of which are things DPS would rather not do and some of which are quite difficult to do. Danville is a good example of why education has to be a major priority for state funding.

Mr. Kaplan discussed Local Contributions, as the City is the other major funder for the school division. The City's contribution accounts for 1/3 of the budget and that is something that has increased over time; this year, including the carryforward, that number is about \$4,200 per pupil, without the carryforward it is about \$3,800. Among peer urban districts, that number is significantly higher; the effort being made elsewhere is greater than in Danville, and Danville's contribution would have to increase significantly to match those other localities. They did look at potential options, and if Danville did something like Roanoke where they contribute 40% of the general property and local taxes to schools, that would be about \$1M more. If Danville went to a contribution of \$5,000 per pupil which is closer to the median of the peer group, that would cost about \$4.5M more and if Danville matched Lynchburg's contribution, that would be about \$6M more. The City plan noted looking at a tobacco tax as a potential revenue source and maybe that is something they could specifically dedicate in part, to particular education opportunities.

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Ms. Vaughn explained for a City-DPS Educational Compact, some cities and districts have formed a formal, collaborative agreement, a compact that institutionalizes their collaboration, establishes a commitment by the City, the district and partners to focus on increasing educational attainment, academic achievement, working together to steer resources to a common goal and vision, establishes a shared framework for working together, and for sharing metrics to see what can be done together. The roles of a compact would be to provide vision, guidance and coordination, not just for the district but for the community; to strategize how to work together to reach the goals, but be data based and informed. Some cities and districts have representatives on this compact from school districts and school board, from city government and council, but also partners like United Way, service providers, and philanthropy, so that the entire community is engaged in the vision for what the City can be when it works together. Examples include Richmond, Miami-Dade, Denver, and Philadelphia. They recommend creating an education compact.

Mr. Kaplan explained they looked at a certain number of these things; some of the other items need more investigation. If the schools reduced the student enrollment loss and eventually stopped it in two years, limited salary growth to 2%, if they adjusted class sizes for 4-8 up to twenty three, if they moved the Magnet School to Langston and closed the Galileo building, if they spent \$500,000 a year to enhance the IB program and CTE offerings and help to work on student attendance and also had an initial contribution from the City of \$2M for the next few years, what does that do compared to where they were before. They started with a \$4M gap which got bigger by \$2M every year. If Danville does the things suggested, the hole would be reduced significantly the first year, even more the second year and break even in the third year. A big piece of it is the City providing more aid, reductions and controls on expenditures going forward, and finally having the student enrollment stabilize keeping state aid at a higher level. Mr. Kaplan stated that gets the division to break even, and they could continue in the future, but it would be exceedingly difficult for the City to maintain that level of additional contribution each year going forward to offset the expenditure growth in the division. Once the growth is stopped, it starts drifting down again by about half a million to a million dollars a year. They would have to consider some of the administrative staff reductions, look at areas where their spending is higher than peers and see if there are areas they can save, do shared services, consider making the move from Galileo to Bonner and closing Langston, use the even higher class size option or lower staff salary increases. All those have a cost that is not financial; DPS would have to discuss them over time.

Mr. Kaplan noted they would also have to find a way to address capital and some of the other issues. For Next Steps, they believe the division needs to take the time to look through this and think about some of the large issues, consider starting a compact to help address these issues together because of their intertwined nature and to use the budget tool they will leave to figure out what impact it has on both governments.

Ms. Hall noted to lobby Danville's legislators to increase state aid to the community, to the smaller school districts would be helpful, if they worked collaboratively. Ms. Hall asked what PFM's thoughts were on moving the IB program to Bonner, and Mr. Kaplan explained part of the idea was it puts the 7-12 grades at one place and recruits students to a program that has a natural progression all the way through college. Ms. Hall noted that would be a middle/high school and Mr. Kaplan explained they wanted to give the schools some ideas about how to do it, and that allows it to all be in one place.

Council Member Shanks noted he has been close to the IB program, and stated there are about 300 students at Galileo. If they were looking to do an IB program, 7-12 grade, if they do move the school to another location, there will be capital costs that haven't been figured in. It will cost money to recreate the program somewhere else; Mr. Shanks asked if the capital expense had

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been considered for that. Mr. Kaplan explained they did not include a significant amount of capital in specs; they assume that some portion of the additional \$500,000 a year would have to be used for some of that. Mr. Shanks noted he thinks the middle school IB program would be great to feed the senior IB program, and believes if the IB program was advertised more, they would get more students from Halifax, Pittsylvania County, Yanceyville, Caswell and Henry County.

Council Member Campbell noted they talked about increasing the class size; with students with a high poverty rate and literacy, is that feasible to increase them that much and still have an impact on them. Ms. Vaughan noted she thinks there is always a danger when class size is increased; the average is about 18,19, or 20. What they recommended is thinking about what twenty three in a classroom would do budget-wise; the real decision is to think about what that would do academically. Mr. Kaplan stated because teacher costs are such a big impact on their expenditures, they wanted to say, if the schools are not going to do that, they will have to do some other things they may also not want to do. A marginal increase in the 4-8 number is achievable and will save a fair amount of money. Mr. Campbell noted the School Board is renting their office space and pay about a quarter of million dollars in rent, was that looked at to put them in some of the extra space such as Langston. Mr. Kaplan noted they talked about it a couple of times, but does not think they looked at it and noted it was a good addition. Council Member Miller stated many Council Members are concerned over the renting of the building for the school board; if there is other space available, it might be more efficient for them to be in those spaces.

Vice Mayor Vogler noted there has been talk for several years about the Galileo building, moving the program to a different location because of the issues this building has; it was suggested tonight the program move out of this building. Mr. Vogler noted one slide said to move it to Bonner instead of Langston; why move an entire high school into Bonner where they already have a middle school and another middle school next to it, as opposed to consolidating things over at Langston. Mr. Kaplan noted the idea was to provide different views, and one of the ideas about going to Bonner was to create an all in one place, 7-12 grades. A student could come into the IB program in seventh grade in that space, with the same teaching staff and colleagues all the way to college; make that an attractive thing that could be marketed. Obviously, the City does have an unusual situation where there are two middle schools next to each other, but that also gives some ability to move kids around a little bit and finally, some of the pre-CTE programs that are starting up at the middle schools could also be part of that attractive piece. Ms. Vaughan stated their number one option was to move the expanded IB program into the Langston campus.

Council Member Saunders asked about the City's ability to pay and Mr. Kaplan noted in the City plan it was clear the City does have its own budget gap going forward and also has some opportunities to save money and control expenditures. The biggest issue in the City study was a fairly detailed analysis of tax burden. Sources of revenue like the Tobacco tax, gives some ability to raise revenue, but the City has its own priorities. They are illustrating the scale of what might be needed with the assumption that there would have to be an intense dialogue between the two bodies about how these things would be done going forward. That is one reason why they wanted Council to be aware of some of the potential efficiencies on the school side as well.

City Manager Ken Larking noted the take-aways from the presentation are there is a significant, long term financial issue that needs to be addressed and it is going to require tough choices. Declining enrollment is probably one of the biggest drivers of that; Danville does not get the growth it would get in other school systems that have increasing enrollment or at least stable enrollment, to address the natural increase that it costs to do business.

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Mr. Larking stated if people say, just remove a teacher, the question is, which teacher. The kids that are declining could be from every single grade, it can't easily be done. It has to be a step down approach, it might happen over time, but it is very difficult to plan for it. Mr. Larking stated he liked the compact idea, if there is an opportunity to think innovatively about what the City can do to increase enrollment in the school system so there is no decline, hopefully have an increase, then the schools start receiving some of the additional state revenue so it doesn't have to be such a burden on the local government to continually to get that gap filled. In reality, it is not sustainable, the City cannot every year raise taxes to fill a gap that is going to exist because of declining enrollment. If the City and DPS can work together to come up with something that convinces families to choose to put their kids in DPS, that is how they are going to get more people to come to the Danville School system, and that will more effectively deal with the revenue issue. Mr. Larking stated they need to look at how to put that compact together, how they can bring key members of the community together to talk about some things that can happen. They had a meeting today with the Regional Foundation, they were co-sponsors of this plan, they seemed very interested in helping them do that, including funding to help Danville become a more innovative school system, to attract more middle class families to the community. One of the biggest things they can do is make people want to put their kids in the Danville school system; the City is doing a lot of good things to make people want to live in the community, but the schools are holding the City back.

Council Members thanked Mr. Kaplan and Ms. Vaughan for the presentation and the School Board for hosting the meeting. School Board members thanked Council for attending, and thanked the consultants for the report.

In response to Mayor Jones, Mr. Larking noted, the City did engage with a consultant to take a look at potential sites for a new Police Headquarters. The funding will be a challenge, and they looked at twelve sites initially. Two of the three top opportunities are places that school board has interests, one of them being potentially the Galileo Building and also part of the Langston Campus. This doesn't mean it will happen or happen anytime soon, but felt the School Board should know.

MEETING ADJOURNED AT 8:10 P.M.

APPROVED:

s/ Alonzo L. Jones
MAYOR

ATTEST:

s/ Susan M. DeMasi, CMC
CITY CLERK